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UNCLAS SECTION 01 OF 08 TEL AVIV 002087

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XXXX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

E.O. 12958: N/A

TAGS: [IS KMDR MEDIA REACTION REPORT](#)

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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1. Mideast
2. Lebanese-Syrian Track
3. Iran

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Key stories in the media:  
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Maariv reported that associates of PM Ehud Olmert are speaking of a "split realignment." The newspaper wrote that one of the options that Olmert is considering is a three-stage realignment: the first one in the western West Bank; the second one in the West Bank hills; and the last one in the Jordan Valley, where Israel is to maintain a military presence.

Ha'aretz and Israel Radio quoted senior IDF officers as saying that the army is planning to step up ground operations by special forces in the northern Gaza Strip. The radio quoted Defense Minister Amir Peretz as saying that Tuesday's operation prevented the firing of Qassam rockets. Israel Radio reported that this morning, four Qassam rockets landed in Israel, two of which landed in Sderot (one near Peretz's private residence). Ha'aretz reported on the plight of Hamdi Aman, a Palestinian from Gaza whose entire family was hit in the assassination of Islamic Jihad operative Muhammad Dadouh in Gaza a week and a half ago. The newspaper cited responses by the IAF and IDF that the army is still investigating reports about the case.

Leading media reported that PM Olmert will meet with Jordan's King Abdullah II in two weeks.

Yediot, Maariv, and The Jerusalem Post's website cited an uproar at a UN Security Council debate on international terrorism Tuesday over remarks made by Israel's representative at the UN Ambassador Danny Gillerman that the war on terror was a "third world war" declared by Iranian President Mahmoud Ahmadinejad while he planned the next Holocaust. Maariv and The Jerusalem Post's website reported that Syria's UN representative blamed Israel for the start of World Wars I and II.

The Jerusalem Post reported that on Tuesday, PA Chairman [President] Mahmoud Abbas decided to appoint Col. Mahmoud Damra, a.k.a. Abu Awad, who has been accused by Israel of involvement in terrorist attacks, as overall commander of his Force 17 "presidential guard" in the West Bank.

All media reported that on Tuesday, the cabinet voted to cut the defense budget by 500 million shekels (about USD 110 million). No ministers opposed the proposal, but all Labor Party ministers abstained. Maariv and Hatzofe bannered IDF Chief of Staff Dan Halutz's comment that the cuts are insulting.

The Jerusalem Post reported that in radio interviews, President Moshe Katsav and Justice Minister Haim Ramon defended their decision to grant partial pardon to four of the heads of the right-wing pirate radio station

Arutz 7 (Arutz Sheva). Israel Radio's legal commentator Moshe Negbi had said in his program that Katsav and Ramon were allowing people who had been responsible for "vitriolic attacks" against PM Yitzhak Rabin before his assassination to compete in the tender for a new radio station meant to serve the Jewish settlements in the West Bank.

Likud leader Binyamin Netanyahu was quoted as saying in an interview with Ha'aretz that an attempt was made to bribe him early in his tenure as finance minister. Netanyahu was quoted as saying that corruption in Israel "has become a cancer" that is blocking growth and "is liable to develop to Argentine dimensions." Netanyahu was quoted as saying that associates of former PM Ariel Sharon interfered with his work in the Treasury.

Last night, Channel 10-TV reported that State Comptroller Micha Lindenstrauss might ask AG Menachem Mazuz to prosecute Vice PM Shimon Peres over USD 320,000 of foreign contributions he received in the Labor Party primaries. Maariv reported that Lindenstrauss denied the report.

The Jerusalem Post reported that Israel climbed 22 places to rank as the 20th strongest domestic economic power among the 61 countries surveyed in this year's IMD World competitiveness rankings. The newspaper cited the Federation of Israel Chambers of Commerce as saying that this helped Israel maintain its 25th place in overall economic competitiveness in a report compiled by the Swiss-based International Institute for Management Development (IMD).

The Jerusalem Post cited AP that US Treasury Secretary John Snow resigned Tuesday and that President Bush nominated Goldman Sachs CEO Henry M. Paulson as his replacement.

Ha'aretz reported that developments in Nigeria could thwart a USD 250-million deal in which the Nigerian government selected Israeli company Aeronautics Defense Systems to protect the Nigerian oil industry. The newspaper wrote that the central development was a failed attempt by Nigerian President Olusegun Obasanjo to amend the constitution in order to present his candidacy for a third term in office.

The Jerusalem Post reported that Israeli convict Lior Atuar is set to be extradited from the US to Turkey after losing an appeal last week that claimed torture had been used to obtain evidence against him, according to his lawyers.

Major media reported on the resignation of Sabina Biran from the post of CEO of the Israeli airline Israir. In an interview with Yediot, Biran denied that her move was related to a near-incident involving an Israir plane at New York's JFK airport in July 2005.

Yediot ran a feature ("Israel vs. Lebanon") on the finalists of Donald Trump's reality TV program "The Apprentice 5" -- Lee Bienstock, an Israeli who resides in the US, and Sean Yazbeck, a Briton of Lebanese origin.

Maariv reported that the American Consulate-General in Jerusalem has built a small bridge at its Agron Street location in contravention of a Jerusalem Municipality ban.

The Jerusalem Post reported that US Ambassador to Israel Richard Jones and his wife, Joan, hosted a "truly wonderful" recital by the International Choir of Israel, which is made up largely of members of the diplomatic community.

Maariv's online service NRG cited the results of a poll commissioned by the leaders of the Geneva initiative:

- 59 percent of Israelis support conducting negotiations with the Palestinians with the aim of reaching a final status arrangement. Only 25 percent support the implementation of a unilateral realignment plan.
- 68 percent support holding negotiations with Abbas.
- 26% support negotiations with Hamas.
- Only 31 percent believe that Israel will not be able to determine its permanent borders unilaterally without coordinating this in advance with the Palestinians.
- 56 percent believe that the permanent borders will only be finalized in coordination and in agreement with the Palestinians.
- 38 percent are opposed to the Geneva agreement, 33 percent support it, 13 percent are undecided, and 16 percent are unfamiliar with the text of the agreement.

Maariv bannered a Geocartographia poll, according to

which 44 percent of West Bank settlers are prepared to be evacuated, compared with 25 percent in June 2005 and 35 percent in August 2004.  
-64 percent of secular settlers, 47 percent of ultra-Orthodox settlers and 23 percent of religious settlers are prepared to be evacuated.

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1. Mideast:  
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Summary:  
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Liberal Tel Aviv University Prof. Tanya Reinhart wrote in mass-circulation, pluralist Yediot Aharonot: "All that remains is to hope that Europe will come to its senses, and influence the US to also accept the democratic choice of the Palestinian people."

Block Quotes:  
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"Recognize the Hamas Government"  
Liberal Tel Aviv University Prof. Tanya Reinhart wrote in mass-circulation, pluralist Yediot Aharonot (5/31): "Since 1993 we have become accustomed to having the negotiations with the Palestinian Authority only deal with the question of what is good for Israel -- to what degree are the Palestinians willing to recognize its right to exist as a Jewish state and to ensure its security. Suddenly, an elected Palestinian government has arisen that is no longer willing to play this game.... No Palestinian leadership has yet been found to be a worthy partner for peace, but a leadership that breaks the rules of the game and declares that it only represents the Palestinian people is in the eyes [of Israel's government and army] a true enemy, which must be destroyed. Olmert may have obtained a majority in the US Congress for boycotting the Hamas-led government, but he has no majority in Israeli society. According to a March 2006 poll by the [Hebrew University's] Truman Institute, 62 percent of Israelis are in favor of conducting negotiations with Hamas. But the majority in Israel has long since ceased to decide. At present, all that remains is to hope that Europe will come to its senses, and influence the US to also accept the democratic choice of the Palestinian people."

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2. Lebanese-Syrian Track:  
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Summary:  
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Senior columnist Shaul Schiff wrote in the editorial of nationalist, Orthodox Hatzofe: "The same Lebanon that ousted Syria must also throw out the weapons threatening Israel's security."

Block Quotes:  
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"Go For the Strategic Weapons"

Senior columnist Shaul Schiff wrote in the editorial of nationalist, Orthodox Hatzofe (5/31): "On Sunday, Lebanon asked for a cease-fire and the IDF acceded to that request. But the same Lebanon that ousted Syria must also throw out the weapons threatening Israel's security. This demand can't be allowed to leave the agenda -- directly or indirectly. Hizbullah's honor was harmed this week. It might attack again. If the [IDF] Chief of Staff hit Hizbullah's entire strategic infrastructure far away from the Lebanese border, it would be his finest hour."

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3. Iran:  
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Summary:  
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Diplomatic correspondent Aluf Benn wrote in independent, left-leaning Ha'aretz: "A common definition of the threats that would justify American intervention on behalf of Israel, and the start of an orderly process of operational planning for an emergency are required."

Prof. Uzi Arad, the Director of the Institute of Policy and Strategy at the Interdisciplinary Center, who was a senior advisor to former prime minister Binyamin Netanyahu, wrote in mass-circulation, pluralist Yediot Aharonot: "[Israel] must contribute to blocking Iran's nuclear program to the best of its ability, and must do so quietly and wisely, while already mobilizing and gathering its resources and strengths for the events to come."

Block Quotes:

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I. "An Umbrella or Handcuffs?"

Diplomatic correspondent Aluf Benn wrote in independent, left-leaning Ha'aretz (5/31): "President George W. Bush's declaration, during his meeting with Prime Minister Ehud Olmert, that in the event of an Iranian attack on Israel the U.S. would come to Israel's aid is the expression of a strategic change in relations between the two countries. It is a presidential commitment, stronger than ever, to bring Israel under the American defense umbrella.... Bush's statement seemingly is a step in the direction of the defense alliance, even if it is a verbal promise that is not enough to send a military force. For it to be translated into practical steps, a common definition of the threats that would justify American intervention on behalf of Israel, and the start of an orderly process of operational planning for an emergency are required. Otherwise, it is only a statement with moral authority that expresses friendship and support, but not much beyond that."

II. "The Campaign for Blocking Iran"

Prof. Uzi Arad, the Director of the Institute of Policy and Strategy at the Interdisciplinary Center, who was a senior advisor to former prime minister Binyamin Netanyahu, wrote in mass-circulation, pluralist Yediot Aharonot (5/31): "If even under sanctions, Iran does not halt its progress towards nuclear capability, the United States' determination will then be tested, and military force will be the last measure left in its hands.... If the US chooses not to take military action, and effectively throws up its hands, then the dilemma will reach Israel, which will have to decide whether to take military action or not. Israel has not known such a fateful dilemma in the last generation, and this is not the place to spell out the considerations that will guide it in making such a decision. If, under these circumstances, Israel decides for its own reasons not to exercise the military option -- then, and only then, is the forecast in which Iran achieves its goal liable to materialize. Israel will then have to adjust to the new strategic situation, and adapt its security policy accordingly.... One thing is clear. Israel should not be following the evolving confrontation stoically. It must contribute to blocking Iran's nuclear program to the best of its ability, and must do so quietly and wisely, while already mobilizing and gathering its resources and strengths for the events to come."

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